GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:35
ANSWERED ON:15.11.2007
EXPENDITURE INCURRED ON INDO-IRAN GAS PIPELINE
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the total expenditure likely to be incurred on Indo-Iran gas pipeline project;

(b) whether Iran demanded for inclusion of a clause for a revision in the price of natural gas every three years;

(c) if so, the response of the Government thereto; and

(d) the time by which the work of the pipeline is likely to be started and the target date of completion of the project?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a): As per present indications, the stretch of pipeline in Iran and Pakistan would be constructed by the respective countries. India would have to pay transportation fee, apart from transit fee, for passage of natural gas through Pakistan.

The expenditure by India for the IPI pipeline project would be consultancy expenses related to legal, financial and technical matters and also for the construction of pipeline in the territory of India.

(b) & (c): During the fifth tripartite Joint Working Group meeting held between India Pakistan and Iran at Tehran during May 29-30, 2007, Iran sought introduction of price revision clause. The issue needs to be discussed further between India and Pakistan, so as to have a common position on the subject. It is proposed to hold bilateral discussion between India and Pakistan before a trilateral meeting.

(d): Such multilateral projects involve protracted discussions, as all the aspects have to be carefully examined and deliberated upon to the satisfaction of the participating countries to protect each country's interests as also to avoid any future problems in the successful operation of the project.